



NEWFOUNDLAND AND LABRADOR

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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2023-10-05

Ms. Shirley Walsh
Senior Legal Counsel, Regulatory
Newfoundland and Labrador Hydro
P.O. Box 12400
Hydro Place, Columbus Drive
St. John's, NL A1B 4K7

Dear Ms. Walsh:

**Re: Newfoundland and Labrador Hydro - 2024 Capital Budget Application
Requests for Information**

Enclosed are Requests for Information PUB-NLH-062 to PUB-NLH-082 regarding the above-noted application.

If you have any questions, please do not hesitate to contact the Board's Legal Counsel, Ms. Jacqui Glynn, by email, jglynn@pub.nl.ca or telephone (709) 726-6781.

Sincerely,

Cheryl Blundon
Board Secretary

CB/cj

Enclosure

ecc **Newfoundland and Labrador Hydro**
NLH Regulatory, E-mail: NLHRegulatory@nlh.nl.ca
Newfoundland Power Inc.
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1 **IN THE MATTER OF the Electrical Power**
2 **Control Act, 1994**, SNL 1994, Chapter E-5.1
3 (the “**EPCA**”) and the **Public Utilities Act**, RSNL
4 1990, Chapter P-47 (the “**Act**”), as amended,
5 and regulations thereunder; and
6

7 **IN THE MATTER OF** an Application by
8 Newfoundland and Labrador Hydro for an
9 Order approving:

- 10 i) its capital budget for 2024, pursuant to
11 section 41(1) of the **Act**;
12 ii) its proposed capital purchases and construction
13 projects for 2024 in excess of \$750,000, pursuant
14 to section 41(3)(a) of the **Act**; and
15 iii) for an Order pursuant to section 78 of the **Act**,
16 fixing and determining its average rate base for
17 2022.

PUBLIC UTILITIES BOARD
REQUESTS FOR INFORMATION

PUB-NLH-062 to PUB-NLH-082

Issued: October 5, 2023

- 1 **PUB-NLH-062** Further to the response to PUB-NLH-004, it is not clear that Hydro has taken
2 action since the issuance of Board Order No. P.U.2(2023) to review its capital
3 planning process with respect to transparency and measures to reduce the
4 number of supplemental capital budget applications. Please explain the
5 specific actions Hydro has taken since the Order was issued to undertake the
6 review as referenced in the Order.
7
- 8 **PUB-NLH-063** Further to the response to PUB-NLH-008, it is not clear whether Hydro is
9 undertaking a review of its asset management practices. Please explain
10 whether Hydro has begun an asset management practices review, the scope
11 of the review, if any is in fact planned and the anticipated schedule.
12
- 13 **PUB-NLH-064** Further to the response to PUB-NLH-008, page 1, lines 11-12, it is stated that
14 “Hydro envisions a common asset management system for all regulated and
15 non-regulated assets”. Explain how this system will be created and
16 implemented so that data for regulated assets can be identified and reported
17 on separately for regulatory purposes.
18
- 19 **PUB-NLH-065** Further to the response to PUB-NLH-008, page 1, lines 22-23, please provide
20 a copy of the preliminary Greeman Asset Management Solutions report.
21
- 22 **PUB-NLH-066** Further to the response to PUB-NLH-008, page 1, lines 22-23, please list all
23 conclusions and recommendations in the preliminary Greeman Asset
24 Management Report and the action Hydro took or has initiated with respect
25 to each recommendation. If no action has been taken on a recommendation,
26 explain why not.
27
- 28 **PUB-NLH-067** Further to the response to PUB-NLH-008, page 1, lines 25-26, please explain
29 the organizational changes Hydro made and explain how each change relates
30 to Hydro’s asset management practices improvement process.
31
- 32 **PUB-NLH-068** Further to the response to PUB-NLH-008, page 2, lines 10-19, please provide
33 the scope and schedule for Hydro’s multi-year plan for a computerized
34 maintenance management system. Is the implementation of such a system a
35 prerequisite for Hydro to complete a review of its asset management practices?
36
- 37 **PUB-NLH-069** Further to the response to PUB-NLH-018, please list every other figure or
38 picture that was used for “illustrative” examples in the details provided for
39 the proposed 2024 capital projects and programs. Is it Hydro’s practice to use
40 “illustrative” pictures to reflect the condition of assets that are proposed for
41 a capital project and not pictures of the actual assets that are the subject of
42 the program or project for which approval is requested?
43
- 44 **PUB-NLH-070** Further to the response to PUB-NLH-027, has the EPCM contract for Bay
45 d’Espoir Penstock 1 project been awarded yet? If yes, please provide an
46 update on the project cost and schedule.

- 1 **PUB-NLH-071** Further to the response to PUB-NLH-034, please provide a table for the period
2 2007-2022 that lists the number of diesel unit failures and all diesel unit
3 replacements each year.
4
- 5 **PUB-NLH-072** Further to the response to PUB-NLH-039, please explain the specific
6 environmental work required for the 2024 Wood Pole Program that led to the
7 increase in costs and provide the amount of the budget estimate associated
8 with the increased environmental work.
9
- 10 **PUB-NLH-073** Further to the response to PUB-NLH-045, it is stated feeder performance is
11 impacted by other factors than asset condition including adverse
12 environments, adverse weather, lightning and interference by foreign objects
13 with the incident rate for such occurrences being 80% and asset condition
14 being 20%. Please provide a breakdown of the contribution of each
15 referenced category to the 80% incidence rate.
16
- 17 **PUB-NLH-074** Further to the response to PUB-NLH-047, line 11, please explain the basis for
18 the statement that Hydro's practice is "like other Canadian utilities". In the
19 response include whether Hydro has completed a survey of the practices of
20 other Canadian utilities on the replacement criteria for instrument
21 transformers.
22
- 23 **PUB-NLH-075** Further to the response to PUB-NLH-048, has Hydro completed or
24 participated in a survey or review of the practices of Canadian utilities on the
25 criteria for the overhaul of diesel units or has there been verbal discussion
26 only? If a survey or report on Canadian utility practices has been completed,
27 please provide it.
28
- 29 **PUB-NLH-076** Further to the responses to PUB-NLH-056 and NP-NLH-001, please provide
30 the principal reasons and the contribution of each for the significant
31 carryovers of approved capital expenditures from 2013-2022. In the response
32 specifically explain the role of supply chain issues, adequacy of internal and
33 external resources, impact of Covid 19 and balancing of capital budget
34 priorities and resources in the carryover of approved capital expenditures.
35
- 36 **PUB-NLH-077** Further to the responses to PUB-NLH-056 and NP-NLH-001, please explain
37 what specific action Hydro is taking to reduce the amount of the capital
38 expenditure carryovers it has consistently experienced and whether Hydro
39 plans to review whether the amount of carryover anticipated in a year will in
40 the future influence the capital budget proposed for the following year.
41
- 42 **PUB-NLH-078** Further to the response to PUB-NLH-060, please explain whether Hydro's
43 approach of looking at individual components of a large hydro generating
44 facility when considering the need for capital work and not completing an
45 overall condition assessment for a significant generating facility is consistent

- 1 with Canadian utility practice. In Hydro's opinion would an overall condition
 2 assessment of the Bay d'Espoir plant ever be required?
 3
- 4 **PUB-NLH-079** Further to the response to NP-NLH-010, line 16, please explain the basis for
 5 the statement that the performance requirements for the proposed
 6 microwave replacement are based on industry practice.
 7
- 8 **PUB-NLH-080** Further to the response to NP-NLH-011, please explain the basis for the
 9 statement that the performance requirements for the proposed powerline
 10 carrier replacement project are based on industry practice.
 11
- 12 **PUB-NLH-081** In the response to CA-NLH-026, page 1, line 24 to page 2, line 1, it is stated
 13 that "In recent years, Hydro has engaged in various forms of customer and
 14 stakeholder engagement, providing customers with an opportunity to
 15 register their opinions regarding electricity service reliability as well as share
 16 their perceptions about levels of capital investment and electricity rates in
 17 the province." Please list each specific form of engagement that Hydro has
 18 used in the period 2018-2023, to date, to solicit customers views on service
 19 reliability and costs and explain how Hydro has used the feedback received in
 20 planning capital budget proposals in that period.
 21
- 22 **PUB-NLH-082** Further to the response to CA-NLH-089, please state when the report on the
 23 economic and technical assessment of Hydro's mini-hydro generating
 24 stations which was completed in 2022 will be filed with the Board.

DATED at St. John's, Newfoundland and Labrador, this 5th day of October, 2023.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

Per


 Cheryl Blundon
 Board Secretary